

VZCZCXRO5208
RR RUEHCN RUEHGH RUEHVC
DE RUEHGZ #1287/01 3530045
ZNY CCCCC ZZH
R 170754Z DEC 07 ZDK CTG NUM SVCS
FM AMCONSUL GUANGZHOU
TO RUEHC/SECSTATE WASHDC 6741
INFO RUEHOO/CHINA POSTS COLLECTIVE
RUEAIIA/CIA WASHDC
RUEKJCS/DIA WASHDC
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 GUANGZHOU 001287

SIPDIS

SIPDIS

STATE FOR EAP/CM, DRL

E.O. 12958: DECL: 12/17/2017

TAGS: [ELAB](#) [PHUM](#) [PGOV](#) [CH](#)

SUBJECT: The World's Factory Floor: A Tough Place to Work

REF: A) Guangzhou 1256, B) Guangzhou 1275

GUANGZHOU 00001287 001.2 OF 002

11. (U) Classified by Consul General Robert Goldberg for reason 1.4 (d).

12. (SBU) SUMMARY: Migrant workers in Guangdong Province, especially in the Pearl River Delta, continue to confront a variety of work-related issues -- long work hours, low wages combined with inflation, and few opportunities for self-improvement -- all of which make advancement up the economic ladder difficult. Government initiatives to assist workers lack effectiveness. Workers also face unpaid overtime wages and employment discrimination, though employer-provided workplace-injury insurance has reduced the number of injury compensation cases. END SUMMARY

13. (U) This is the last of three cables reporting on current labor conditions in the Pearl River Delta. Previous cables examined the state of labor NGOs (ref A) and government unions, departments, and bureaus (ref B).

A Land of Migrants

14. (SBU) Six out of every seven workers in Shenzhen are migrants, according to Shenzhen Labor and Social Security Bureau Assistant Researcher Huang Hanlin. Of these, there are roughly four men for every six women. Numerous contacts told us that the majority of migrant workers come from Hunan, Hubei, Sichuan, Guizhou, Guangxi, Jiangxi and Henan provinces, have limited educational backgrounds, and average in age between 22 and 27.

A Hard Life

15. (C) Long working hours, low income, and few opportunities for self-development represent the most serious quality-of-life problems facing migrant workers in the Pearl River Delta, according to Wang Guifang an employee of Zhiqiang Consulting Firm, which provides assistance to migrant workers. Wang told us that workers actually have mixed feelings about working hours. Although nobody enjoys the long hours -- typically at least 10 each day -- many workers welcome overtime as an opportunity to increase their income.

16. (C) Even with long work hours and periodic increases in the minimum wage -- Shenzhen has raised the minimum wage 16 times since 1992, according to the Labor Bureau -- workers' earnings never catch up with inflation, said Wang, who noted that many workers live paycheck to paycheck. Years of hard work often yield but a small amount of savings. In a separate meeting, Guangdong Labor Department Labor and Employment Service Center Deputy Director Chen Ruibin described recent wage growth as "compensational," meaning that labor

had been significantly undervalued -- and underpaid -- in the past. Chen Ruibin's colleague, Wage Division Director Chen Siyi, said that in spite of recent high inflation, he believed that wage increases still outpaced rising prices.

Few Opportunities for Self-improvement

¶17. (C) During their few non-working hours each day, many workers frequent Internet cafes or movie theaters, according to Labor NGO Director Zeng Feiyang. Zeng noted that many migrant workers are, in fact, computer literate, and that Internet cafes are ubiquitous near factories. Zeng said workers still had few opportunities to communicate with people outside the migrant worker community. The resulting narrow vision leaves them at a loss as to what they can do to advance their careers or improve their lives, said Zeng.

Paltry Government Assistance

¶18. (SBU) Shenzhen Labor and Social Security Bureau's Huang said the government attached "great importance" to "improvement of the employment environment in the city," but the list of initiatives he cited to support this claim was not impressive. In addition to the Migrant Workers' Cultural Festival each May, and biannual ceremonies to honor "Excellent Migrant Construction Workers," Huang trumpeted free access to various job fairs and job agencies for workers. Finally, he said that every year the government awards a few outstanding migrant workers the coveted residency permit, or hukou.

Unpaid Overtime Wages a Major Problem

¶19. (C) Cases of unpaid overtime are on the rise, according to Du Jiang, a lawyer with the Zhou Litai Law Firm in Shenzhen. Du said that lately such cases account for more than half of the law firm's business. He said the main problem was that many factories pay only

GUANGZHOU 00001287 002 OF 002

the normal hourly rate instead of the premium rate for work in excess of eight hours. Du attributed the rise in cases of unpaid overtime to workers' improved awareness of their legal rights.

Insurance Reducing Workplace Injury Compensation Cases

¶10. (C) In contrast to unpaid overtime cases, the number of workplace injury compensation cases has been decreasing, according to Zhiqiang Consulting Firm's Zhu. He attributed the trend to an increasing number of factories purchasing workplace injury insurance for workers and estimated that injury compensation cases now constitute only about ten percent of labor-related litigation.

¶11. (C) In a separate meeting, Zhou Litai Law Firm's Du Jiang echoed Zhu's remarks, noting that 70 to 80 percent of enterprises provide workplace injury insurance for their workers. Du, too, said that the number of injury compensation cases was decreasing as a direct result of increased insurance coverage.

The Aged, Male, and Carriers of Hep B Need Not Apply

¶12. (C) Though Huang Zhiming of Shenzhen's Little Bird Hotline said that phone inquiries about employment discrimination were "few," Du Jiang told us that his law firm continues to handle such cases. Du divided employment discrimination cases into four categories: discrimination against workers from certain regions; gender discrimination with a majority of cases arguing discrimination against males; age discrimination; and discrimination against carriers of hepatitis B. With regard to the last category, Du said that in Dongguan there currently were at least three cases against Nokia for discriminating against hepatitis B carriers.

¶13. (C) Du lamented that very few job-seekers take discrimination seriously, saying that workers would rather spend their time looking for other job opportunities rather than filing suit against an

employer for discrimination. Du conceded, however, that it was particularly difficult to prove in court that a company's decision not to hire a particular person was based on discrimination.

GOLDBERG